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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company for Recovery of Costs to Implement
Electric Rule 24 Direct Participation Demand
Response

(U 39 E)

And Related Matters

Application No. 14-06-001
(Filed June 2, 2014)

Application No. 14-06-002
Application No. 14-06-003

**COMPLIANCE FILING PURSUANT TO D.15-03-042, ORDERING
PARAGRAPH 1, QUARTERLY REPORT TO TRACK PROGRESS OF
RULE 24'S IMPLEMENTATION**

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PACIFIC GAS AND ELECTRIC COMPANY

Dated: June 30, 2016

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In compliance with Ordering Paragraph 1 of Decision (D.) 15-03-042, Pacific Gas and Electric Company (PG&E) submits its 2016 First Quarter report on the status of third party demand response direct participation (Quarterly Report) Ordering Paragraph 1 of D.15-03-042 states,

“Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (Jointly, the Applicants) are directed to file Quarterly reports regarding the status of third party demand response direct Participation. The quarterly reports shall describe the completed and current efforts by The California Independent System Operator (CAISO) for demand response market Integration, including the current status of the CAISO’s Application Programing Interfaces. The first quarterly report shall be filed in this proceeding by the Applicants On June 30, 2015 and every three months thereafter until the end of 2018, unless directed by the Commission to do otherwise.”

Ordering Paragraph 2 of D.15-03-042 directed PG&E, Southern California Edison Company and San Diego Gas & Electric Company (together, “Utilities” to file the template for the Quarterly Report within 30 days of the decision. The Utilities filed the proposed template on April 27, 2015. A ruling approving the template has not issued yet. Until directed otherwise by the Administrative Law Judge or the Commission, PG&E will use the template that was filed on

April 27, 2015 to submit its quarterly filings under OP 1. The 2015 Second Quarter report is an attachment to this pleading.

Respectfully Submitted,

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By: /s/Shirley A. Woo
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Dated: June 30, 2016

Rule 24 Direct Participation Reporting Template

Reporting Utility¹ Pacific Gas and Electric Company

Reporting Quarter 2nd, 2016

CAISO System Status:

- The User Interface portion of the CAISO's DRS is performing reasonable well.
- There are some issues with the User Interface portion of DRRS.
- The current API for the DRRS is performing very well.
- On April 7, 2016, the CAISO published Version 4 of its technical specifications for the enhanced DRRS API.
- On June 21, 2016, the CAISO issued a revised schedule for its 2016 Demand Response Registration Enhancements. That schedule (copied below) reflects a delay of approximately three months for both market simulation work and the "go-live" date relative to the schedule that CAISO published on March 17, 2016 and which PG&E included in its 2016 First Quarter report to the CPUC as filed on April 1.
- On June 29, 2016, the CAISO issued a Market Notice further delaying the DRRS Enhancements schedule that it had posted on June 21. New milestone dates for the project will be announced in a future Market Notice. The CAISO attributes the delay to "schedule and business process challenges" raised by various market participants on its then latest schedule. On June 22, PG&E outlined its concerns to CAISO with respect to the June 21 schedule revision. PG&E stressed that the 12 day Market Sim Window would not provide sufficient time for market participants to complete all required testing given the significant business process changes that are included in the project.
- PG&E asked the CAISO to add additional testing days by starting the Market Sim earlier or by ending it later. On June 23, the CAISO responded that they would strive to start the Market Sim earlier. PG&E will reassess the feasibility of the CAISO's to-be-established project schedule once it is made publicly available.

2016 – Demand Response Registration Enhancements

Project Info	Details/Date
Application Software Changes	Enhance Demand Response Registration functionality and processes Develop new registration user interface for DRRS Develop new APIs for support of enhanced registration processes
BPM Changes	Metering
Business Process Changes	Automation of internal registration-related processes
User Training	Thursday, June 2, 2016

Milestone Type	Milestone Name	Dates	Status
Board Approval	Board Approval	N/A	
BPMs	Publish Final Business Practice Manuals (Metering)	Jul 22, 2016	
	Post Draft BPM changes (Metering)	Jul 14, 2016	
External BRS	External BRS - Enabling Demand Response Phase 2 - Registration	Jun 04, 2015	✓
Tariff	Tariff	N/A	
Config Guides	Config Guide	N/A	
Tech Spec	Tech Specs - DRRS Phase 2 - Registration	Sep 17, 2015	✓
Market Sim	Market Sim Window	Jul 14, 2016 - Jul 29, 2016	
Production Activation	Post-Mrkt Consol - DRRS Phase 2 - Reg	Aug 15, 2016	

¹ This report covers the activities specifically related to Rule 24 Direct Participation. PG&E will submit a separate report to Commission staff for its activities to integrate its own DR programs (Advice Letter 4463-E-B)

Rule 24 Direct Participation Reporting Template

- A web-based user training session for the DRRS Enhancement was scheduled for June 29, however that session was canceled by CAISO. According to the CAISO, the training will be scheduled for a future date (TBD) that will more closely align with to-be-announced market start date.
- The same CAISO Market Notice issued on June 29, 2016 canceled the Demand Response Registration System Customer Partnership Group Call that was scheduled to take place on June 30. A new date for the call will be established and communicated via a future Market Notice.

Utility Implementation Status:

- PG&E's CISR Intake and Data delivery processes have been working well.
- PG&E's Location / Registration review processes have been working well. These processes must be modified as part of the CAISO's enhanced DRRS.
- PG&E has updated its designs for the enhanced DRRS to account for the changes introduced by the CAISO's Version 4 of its technical specifications for the enhanced DRRS API.
- The CAISO's External Business Requirements (EBR) were published on June 4, 2015. The CAISO has made significant changes to its design since this time. The additional changes have been introduced by CAISO via the revised API and communicated to stakeholders in the Customer Partnership Group calls. PG&E is concerned that the CAISO has not updated its EBR to keep pace with these changes. Timely documentation of business requirements is essential to helping market participants develop their own systems to meet CAISO's actual requirements.
- PG&E is also concerned that the initial draft of the updated Business Practice Manuals (BPM) will not be available until July 14, 2016 and that the CAISO then plans to have the final version available on July 22, 2016.
- PG&E believes that the process changes needed for the enhanced DRRS are significant and that both the EBR and the BPM should be made available earlier as part of the CAISO development cycle. Nonetheless, PG&E has developed as much of its processes as possible using the currently available CAISO information.

Market Participation² (As of 3 days prior to the end of Reporting Quarter)³

Number of Registered DRPs at Commission ⁴	5
Number of DRPs with Active CAISO Registrations ⁵	4
Number of Locations in Active Registrations	5,080
Number of Residential Locations in Active Registrations	4,977
Number of CCA/DA Locations in Active Registrations	32
Number of Registered Locations in DRAM	5,080
Number of Locations Removed from Reporting Utility's DR Programs ⁶	0
Remaining Rule 24/32 Slots for Service Agreement Registrations	4,920

² Excludes PG&E's Supply Side Pilot (SSP/IRM2) and Excess Supply Pilot (XSP).

³ Data collected between 3/29/2016 and 6/27/2016.

⁴ PG&E has signed DRP Service Agreements with seven DRPs.

⁵ Number is based on the First DRP not the Second DRP.

⁶ PG&E assumes that this value is limited to Peak Day Pricing for which PG&E initiates the de-enrollment automatically.

Rule 24 Direct Participation Reporting Template

Utility Processing⁷ (As of 3 days prior to the end of Reporting Quarter)⁸

	Month 1 of Quarter	Month 2 of Quarter	Month 3 of Quarter
Number of CISR-DRPs Received	3,332	3,171	1,234
Number of Service Agreement's received	3,341	3,171	1,234
Number of CISR-DRPs Rejected	128	107	75
Number of CISR-DRPs Processed	2,614	2,738	1,443
Average CISR Processing Time ⁹	6.1	5.8	7.3
Number of CAISO SA Registrations Reviewed	260	1,151	14,216 ¹⁰
Average Registration Processing Time ¹¹	3.8	4.5	2.4

⁷ Excludes PG&E's Supply Side Pilot (SSP/IRM2) and Excess Supply Pilot (XSP).

⁸ Data collected between 3/29/2016 and 6/27/2016.

⁹ Calendar Days

¹⁰ The 14,216 are not unique service agreements, rather it represents the total number of service agreements reviewed by the UDC. The registration review process is an iterative process that can require the UDC to review the same service agreement multiple times. For example, if the DRP submits a registration with 1,000 service agreements and 3 service agreements are deemed invalid by the UDC, then the DRP will resubmit the registration with the 997 valid service agreements, thus triggering an additional review by the UDC. In this illustrative example, the number of UDC-reviewed service agreements equals 1,997.

¹¹ Calendar days. Weighted average that includes all SA registrations that were reviewed by PG&E as the UDC.